

The Background

The Retail and Fitness Company was number one in its industry for over 30-years. There was little competition in the market. They had 5 different lines of business: retail stores, fitness centers, corporate fitness management, restaurants and cafes, and corporate fitness events.

With the advent of on-line fitness, more choices of fitness centers, unique retail brands, and a younger generation wanting more, the company brand and market share were declining.

A new CEO was brought in to turn-around the business.

The Challenge

The premium fitness centers were profitable. However, membership was declining. The retail store showed losses for 2-years running. Corporate fitness program company and the cafes were financially sound. The corporate sponsorship events company was their most profitable business.

The Problems:

1. The 3 Directors of premium fitness center, retail and corporate sponsorship did not collaborate or align. Organizational silo's and competition was rewarded.
2. Morale was low and turn-over high.
3. The retail and fitness brand was associated with the 50+ crowd, therefore the younger generation was turning to the new competitors.
4. Excellent performance was rewarded the same as poor performance.
5. Favoritism was rampant.

Methodology and Solution

Using our REAL Leadership and REAL Culture Assessments, the RSF Company established a baseline of leadership effectiveness and cultural performance. Based on the results RSF decided to reinvent itself to become the "one-stop-shop" for fitness needs. Using our REAL Leadership-REAL Culture platform, they re-built managerial and leadership skills and rewarded teamwork. They established a culture of feedback, collaboration and growth. They refocused membership sales efforts from discounts to benefits including rewards for members at their stores, restaurants, fitness challenge programs, and events.

The collaboration between the three businesses increased membership by 30%. Within 18-months the entire company recovered their losses and became profitable.